

**HARBOR POLICE RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING
HARBOR POLICE HEADQUARTERS
ACADEMY CLASSROOM, FIRST FLOOR
JUNE 7, 2013**

TRUSTEES PRESENT:

Robert Hecker
Benny Harris
James C. Randall

Frank Jobert
Kelvin Randall
Chris Bonura

TRUSTEES ABSENT:

Warner Tureaud
Steven Dorsey

ALSO PRESENT:

Linda Stern and Patsy Kruebbe of Zenith-American Solutions, Randall Roche, Attorney, Michael Conefry of Conefry and Co, Peggy Wedgworth, Milberg LLP, Michael Sawyer, Harbor Police Participant as Visitor, Chris Lanier, Harbor Police Participant, as Visitor, joined the meeting at 12:30 p.m.

1. Chief Hecker called the meeting to order at 10:05 a.m. and it was determined that there was a quorum.
2. Review of Minutes from April 19, 2013

Chief Hecker clarified wording in the second from the bottom paragraph, Page 2, to read that the presenters would be notified that the decision is being postponed, contingent on the Harbor Police Retirement System remaining in place in the future. As long as the merger is a possibility, the current consultant would remain in place, in fairness to all concerned.

On Page 5, Item 9, it isn't a statute that allows \$2500, but a policy.

The following motion was made by Mr. Jobert and seconded by Mr. James Randall:

MOTION: To accept the minutes from April 19, 2013 with minor corrections noted:

MOTION PASSED UNANIMOUSLY

- 3 Mr. Jobert presented Ms. Peggy Wedgworth of Milberg, LLC who gave an update of status of their contract with Harbor Police Retirement System.

Ms. Wedgworth explained what Milberg does for HPRS. They monitor the companies whose stocks are included in this System's investment portfolio. She explained that even though Milberg has not actually begun the monitoring of HPRS investments, they would be included in any ongoing class action unless they specifically opt out.

She indicated that the monitoring should have begun at the time the contract with HPRS was signed. She is unsure what happened, but she apologized for this not being done. It was an oversight on their part. If the Trustees decide to continue with their contract, she would see that the correct forms

are signed to authorize them to monitor HPRS investments, and she would monitor this process herself.

4. No comments from the public.
5. Review of Legislative Session, specifically House Bill 55. Mr. Jobert advised that everything possible was done to get the bill passed. They talked with LASERS staff and their attorneys and staff, to legislators, Chairman of Committee, etc. They got through the House with 10-0 vote out of committee and passed 88-0 on the House floor. Due to it coming up for hearing on a holiday, it was not heard. With the 3-day deferral, the required quorum was not met. The meeting was canceled. Mr. Jobert continued to try to get the matter settled within the remaining week, but was unable to do so. As a result, he was unable to get it passed. They will make sure that it is taken care of in the next session, in 2014.

Mr. James Randall questioned if the LASERS has a provision to allow a handicapped child to receive a benefit. It was explained that even though LASERS has this provision in their plan, even if there is a merger, the HPRS current participants will be a separate plan, subject to the current HPRS rules, not the LASERS rules.

6. Merger Plans. House Bill 67 was pulled and was not filed in a timely manner. It was never put on the agenda. Chief Hecker indicates that Mr. Orlesh says discussions and negotiations are ongoing to merge. LASERS continues to be receptive to the merger. The Trustees will make sure they continue to be part of those discussions and their best interests are upheld as promised.
7. Retirement Benefits for employees hired after July 1, 2013. As the merger did not take place, this issue will be pushed back to July 1, 2014. The current contribution rate will remain the same until the merger takes place.
8. Follow-Up on Consultant position. As indicate previously, CSG will remain in place until merger is finally decided. If there are any further calls from anyone, Mr. Jobert will handle them.
9. Zenith American Solutions update:
 - A. Refund of Contributions Still Pending:
 - I. Kory Mundy - Ms. Kruebbe sent him a certified letter giving him a deadline to contact the Zenith office. He will have until July 22, 2013 to respond letting Zenith know if he wanted the refund, and if so, advise whether he wanted to do a rollover, or incur taxes. He has not responded. If he doesn't respond, by that date, a refund will be issued to him. Chief Hecker advised he thinks the officer went to work for Jefferson Parish Sheriff's Office, and he will probably look into having it transferred to their Fund.
 - II. Robert Lincoln - Ms. Kruebbe sent him a certified letter. Zenith received his signed receipt back in their office on May 15, 2013. No further contact from him. The last time they heard from Mr. Lincoln was in 2012 when he requested the exact amount for his bankruptcy court attorney. He is owed \$14,405.82. He was given the 90 days to respond, and this will be up in August 2013. If no response, a check will be issued to him in August.
 - III. Jeffrey Hegglund - this participant did sign his form indicating he wanted his refund. He had received a partial refund of \$864.93, and Ms. Kruebbe wanted him to indicate that he did receive this partial refund. He is still owed \$912.73. Ms. Kruebbe spoke to Mr.

Hegglund's secretary who advised that he thought he had received his refund of contributions but was not sure of the amount. Our records indicate he had rolled the money into an IRA account. She was going to check to see what the amount was. However, when he returned the forms, he failed to indicate that amount. Ms. Kruebbe did fax him a form asking that he acknowledge the amount he was refunded, but she has not heard anything further from him.

Mr. Roche advised Ms. Kruebbe to try to contact his secretary, and if she can't get any more from her to go ahead and issue the check, minus the 20%.

B. Update on Michael Sawyer - QDRO payment.

After extensive discussion among the Trustees, Mr. Conefry, Ms. Kruebbe, and Ms. Stern with input from Mr. Sawyer and Mr. Roche, it was decided that the amount in the DROP account be distributed between Mr. Sawyer and his ex-wife according to the Sims formula. Mr. Roche advises that if the participant and his ex-spouse, and/or their attorneys, disagree with the payment of the retirement benefit at the time Mr. Sawyer stops work, they can take it back to court for more clarification.

The following Motion was made by Mr. James Randall and seconded by Mr. Kelvin Randall:

AMENDED MOTION: Pertaining to Michael Sawyer, to distribute the DROP funds in accordance with the Sims formula under the Joint and Survivor selection as contained in Mr. Sawyer's file.

Original Motion included additional instructions: "The future monthly benefits will be paid upon termination of employment under the Joint and Survivor Option on file unless court order directs the Fund to distribute it in another manner." Mr. Bonura and Mr. Roche recommended that the additional instructions be separated into another resolution, as there has been some disagreement about how the actuarial portion should be calculated. It was agreed that the above should be accepted as an Amended Motion.

AMENDED MOTION PASSED UNANIMOUSLY

C. Transfer of Credit from LASERS to HPRS on Peter Brito.

The following Motion was made by Mr. Jobert and seconded by Mr. James Randall:

MOTION: To approve Peter Brito's request to transfer prior service into HPRS from LASERS in the amount of \$6990.83.

Mr. Conefry clarified that the credit from LASERS would be at 2.5% instead of 3 1/3% at the time of retirement, which gives him less credit with HPRS.

MOTION PASSED UNANIMOUSLY

D. Update of HPRS Manual - Ms. Stern provided a copy of the manual to Chief Hecker. He will provide Zenith with any updated forms for their copy of the manual.

10. Military Personnel - Christopher Lanier and Douglas Toro

Ms. Stern indicated Mr. Lanier had questions on various issues that were forwarded to Mr. Conefry for response. Mr. Conefry indicated he would answer any questions Mr. Lanier may still have. Ms. Kruebbe advised that Mr. Lanier had requested an updated lump sum repayment for July 2013. Zenith indicated he was advised of the monthly payroll deduction amounts. Mr. Conefry indicated if his lump sum payment was more than 90 days, he would do a recalculation of the lump sum amount due.

As Mr. Lanier was actually working, he was contacted to come to the meeting rather than sending him correspondence that might delay his option.

11. Update on Educational Credit for Trustees

Ms. Kruebbe indicated she was waiting for information from Mr. Jobert regarding LATEC credit, and Chief Hecker will contact LAPERS regarding credit for attendance of their conference. Chief Hecker will do an update from today's meeting giving Actuarial Science credit to those attending based on Mr. Conefry's presentation regarding Mr. Sawyer's benefit. All this information will be provided to Ms. Kruebbe.

12. LATEC Education Conference - Mr. Jobert

Mr. Jobert indicated that LATEC is having a summer seminar on July 15-16, 2013 at the Loew's Hotel. The registration forms were updated overnight. It was questioned if invitation to the two dinners included spouses. The concerns were the cost of extra people at the dinners, and also whether the restaurant capacity could accommodate the extra guests. The Board decided if spouses/guests are allowed, members would be charged a \$50.00 fee per guest. There is no charge for registration to attend conference and dinners, and no charge for members' meals. Some of the speakers will include some of the HPRS money managers. Mr. Jobert has been contacted by ten people who want to speak. There will be six presentations each day.

13. Old Business - Chief Hecker

A. Chief Hecker had asked Mr. Kelvin Randall to co-sign approval of invoices when Mr. Harris is not available.

The following Motion was made by Mr. Jobert and seconded by Mr. James Randall:

MOTION: To allow Mr. Kelvin Randall to co-sign invoices or expense reports in Secretary's absence. This will be blanket approval for any instances going forward.

MOTION PASSED UNANIMOUSLY

B. Decision on Milberg, whether to continue the existing contract, to put it on hold, or cancel the contract. As Milberg did present an explanation today, Chief Hecker felt there was no reason not to make a decision at today's meeting.

The following Motion was made by Mr. Jobert and seconded by Mr. Bonura:

MOTION: To continue the contract with Milberg, and have them begin the monitoring process of the HPRS portfolio records.

MOTION PASSED UNANIMOUSLY

C. Mr. Jobert discussed the financial report from CSG. In the report from Mr. Williams, as of March 31, 2013 the Fund had almost \$10.9 million in the account. There was a solid 3 months' performance of approximately 6.25%, and there was a positive return in the month of April, but the Fund balance went from \$10.888 million to \$10.811 million, with a positive return of 1.1%, but actual amount went down. In looking at the report, he assumed it was because of a large DROP payment. He just wanted this brought to the Trustees' attention. He feels that the Fund will have a good fiscal year ending report.

14. New Business

A. Personnel Action - Melvin Anderson termination on May 29, 2013.

As it is required by LLA to bring any personnel action before the Board, Chief Hecker advised that Melvin Anderson was terminated on May 29, 2013. Zenith should make note of that action.

Mr. Lanier joined the meeting. The only information he needed was the 2 months' lumpsum payment for his military service credit for July and August 2013. He also indicated he understood if he did not re-pay for the military credit, the amount of his benefit will be less than estimated on the annual statement. Mr. Conefry gave him an estimated payback for August 1, 2013 would be \$11,710.00.

15. Determine Date for Next Meeting - As the legislative session is over, it would probably be a couple of months before another meeting would be needed. Chief Hecker advised he would send out e-mails to all when a date was decided.

16. The following motion was made by Mr. James Randall and seconded by Mr. Bonura:

MOTION: To adjourn the meeting at 12:40 p.m.

MOTION PASSED UNANIMOUSLY


Robert Hecker


Date


Linda Stern, Administrative Office


Date